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FEDERAL COMMUNICATIONS COMMISSION
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September 13, 2001

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

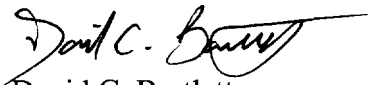
Re: 2001 Annual Access Tariff Filing
CC Docket No. 01-206 /
Order Designating Issues for Investigation

Direct Case of ALLTEL Communications, Inc.

Dear Ms. Salas,

Enclosed for filing by ALLTEL are an original and four copies of its Direct Case in the proceeding referenced above. Also enclosed is a CD ROM which contains the underlying data requested by the Commission. Finally, please find ALLTEL's motion to accept this late filed pleading. Should there be any questions regarding this matter, please contact the undersigned counsel.

Sincerely,



David C. Bartlett
ALLTEL Corporation
601 Pennsylvania Avenue, NW
Suite 720
Washington, D.C. 20004
(202) 783-3970

cc: Competitive Pricing Division
Qualex International

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Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
2001 Annual Access Tariff Filings) CC Docket No. 01-206
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MOTION TO ACCEPT LATE-FILED PLEADING

ALLTEL Communications, Inc. ("ALLTEL") respectfully submits this motion to accept a late filed pleading in the above referenced matter. ALLTEL closed its Washington Office following the terrorist attacks unleashed upon the United States on the morning of September 11, 2001. The Office remained closed the following day, Wednesday, September 12, 2001, the official due date of its Direct Case.

As a result of this national tragedy and the subsequent interruption of business and commerce, ALLTEL is submitting its Direct Case today, September 13, 2001. ALLTEL asks the Commission to accept the attached pleading one day late.

Respectfully submitted,

By:


David C. Bartlett
ALLTEL Corporation
601 Pennsylvania Avenue, NW
Suite 720
Washington, D.C. 20004
(202) 783-3970

Dated: September 13, 2001

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
2001 Annual Access Tariff Filings) CC Docket No. 01-206
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DIRECT CASE

OF

ALLTEL Telephone Systems, Inc. (ALLTEL)

I. INTRODUCTION

On August 29, 2001, the Commission released an Order Designating Issues for Investigation¹ ("The Order"). In this Order, the Commission sets for investigation certain issues regarding ALLTEL's calculation of the Dial Equipment Minutes (DEM) allocation factor. DEM factors are used to allocate switching costs between jurisdictions, the interstate switching cost is then used in the development of the local switching rates filed June 29, 2001 in Transmittal 90 of ALLTEL's Tariff FCC Number 1.

¹ 2001 Annual Access Tariff Filings, CC Docket No. 01-206, Order Designating Issues for Investigation, DA 01-2033, rel. August 29, 2001. (Designation Order)

The Commission specifically questions ALLTEL's method for calculating the DEM allocation factor and whether ALLTEL's methodology is consistent with section 36.125(a)(3) of the Commission's rules.²

The Commission directed ALLTEL to submit, as part of this direct case, 1) a recalculated DEM factor counting one terminating minute for each originating minute for all traffic, 2) data underlying the recalculated DEM factor, and 3) calculate frozen DEM allocation factors by using only calendar year 2000 data.

While ALLTEL has complied with the calculations as requested by the Commission in the attached exhibits, it submits that:

- ALLTEL's calculation of DEM complies with the Commission's Part 36 Rules.
- the current DEM calculation more accurately reflects the underlying traffic traversing ALLTEL's network.
- no methodological change has taken place – the DEM calculation merely reflects an update of the traffic implicit in the holding time studies.
- the updated DEM calculation was applied across the board regardless of whether the change in allocation increased or decreased local switching rates.

II. ALLTEL's DEM CALCULATION COMPLIES WITH COMMISSION RULES

The Commission states that ALLTEL's methodology is inconsistent with section 36.125(a)(3) of its rules. The Commission reaches this conclusion because ALLTEL has

² Id. at 6.

performed updated calculations that more accurately reflect the correct traffic balance.³

According to the Commission, the rule does not permit carriers to correct traffic imbalances.⁴ Section 36.125(a)(3) of the Commission's rules state that:

§ 36.125 Local switching equipment - Category 3.

(a)(3) Dial equipment minutes of use (DEM) is defined as the minutes of holding time of the originating and terminating local switching equipment.

The definition of holding time is equally straightforward.

Glossary

Holding time is defined as the time in which an item of telephone plant is in actual use either by a customer or an operator. For example, on a completed telephone call, holding time includes conversation time as well as other time in use. At local dial offices any measured minutes which result from other than customer attempts to place calls (as evidenced by the dialing of at least one digit) are not treated as holding time.

Neither the Section 36.125 rules nor the holding time definition restrict the updating of allocation factors based on changes in traffic. At the very core of the separations process is the concept that costs move with the relevant cost causative element. Section 36.2 of the rules states:

§ 36.2 Fundamental principles underlying procedures.

(a) The following general principles underlie the procedures outlined in this part:

(1) Separations are intended to apportion costs among categories or jurisdictions by actual use or by direct assignment.

(2) Separations are made on the "actual use" basis, which gives consideration to relative occupancy and relative time measurements.

(3) In the development of "actual use" measurements, measurements of use are:

(i) determined for telecommunications plant or for work performed by operating forces on a unit basis (e.g., conversation-minute-kilometers per message, weighted standard work seconds per call) in studies of traffic handled or work performed during a representative period for all traffic and

³ Designation Order at ¶13.

⁴ Id.

(ii) applied to overall traffic volumes, i.e., 24-hour rather than busy-hour volumes.

(b)(3) In general, the basis for apportioning telecommunications plant used jointly for state and interstate operations are:

(ii) Holding-time-minutes is the basis for measuring the use of toll switching plant.

Interstate local switching rates have fallen over the years as a result of increasing interstate usage and reduced interstate DEMs. For the Commission to suggest that the DEM can only decrease is inconsistent with its rules. Changes in DEM are a direct result of changes in traffic as reflected in holding time studies. The traffic study process captures traffic imbalances – there is no additional calculation required to address traffic imbalances in the development of the DEM allocation factor. Holding time studies measure both originating and terminating actual usage so the traffic balance is automatically accounted for.

III. ALLTEL's ADJUSTMENT OF TERMINATING TRAFFIC TO CORRECT TRAFFIC FACTORS IS APPROPRIATE

Terminating usage is identified as toll, interlocal, or intralocal, but when toll and interlocal terminate on the same trunk, switch measurements do not provide enough information to distinguish between the two. The Commission states that, "Historically there have been many types of traffic imbalances. For example, generally terminating minutes exceed originating minutes for interstate traffic."⁵ As explained earlier, the imbalance associated with toll minutes are corrected in DEM minutes because holding time studies measure actual originating and terminating toll usage. If holding time studies can accurately identify and measure all call types then adjusting factors are not

required. When shared terminating usage cannot be identified between toll and interlocal the following rule allows carriers to develop additional studies to allocate costs between state and interstate. Section 36.1 provides for additional studies to identify traffic appropriately.

§ 36.1 General.

(b) The separations procedures set forth in this part are designed primarily for the allocation of property costs, revenues, expenses, taxes and reserves between state and interstate jurisdictions. For separations, where required, of the state portion between exchange and toll or for separations of individual exchanges or special services, further analyses and studies may be required to adapt the procedures to such additional separations.

Section 36.125(3)(a) states that DEM minutes are “holding times of the originating and terminating local switching equipment.” All intralocal calls originate and terminate on the same switch so DEM minutes will contain both originating and terminating minutes on that switch. However, interlocal and toll calls do not have the same relationship since the call either originates or terminates on a different switch. In this case minutes are counted once per switch, either originating or terminating. A switch originating and terminating the same number of interlocal and toll minutes is highly unlikely, especially when an originating call terminates on a number that cannot return a call. Using a 1.0 Terminating to Originating (T/O) factor for shared terminating does not accurately reflect the proper traffic relations and accordingly does not allocate costs in accordance with the explicit intent of Part 36. ALLTEL’s purpose in correcting the T/O factor used in calculating DEM minutes is to comply with Part 36 rules. ALLTEL did not pick and choose which traffic imbalances to correct, but merely corrected for

⁵ Designation Order at ¶13.

jurisdictional differences that were known to exist. The changes were done across the board regardless of call type or study area.

IV. ALLTEL DOES NOT UTILIZE SWITCHED MINUTES OF USE (SMOU) AS A TRAFFIC ALLOCATION FACTOR

The Commission compares ALLTEL's method of setting its interstate DEM allocation factor to that of Alaska Communications Systems. The Commission cites *General Communication, Inc. v. Alaska Communications Sys. Holdings, Inc.*⁶ In paragraph 43, the Commission disagrees with Alaska Communications Systems, Inc.'s d/b/a ATU Telecommunications d/b/a Anchorage Telephone Utilities ("ATU") approach for calculating DEM. The Commission found that its rules do not make a distinction between analog and digital offices (as asserted by ATU) and found that that for intraoffice calls each minute of use be counted as two DEMs.⁷

These findings are not applicable in ALLTEL's case. ALLTEL's intralocal DEM calculation counts both originating and terminating intralocal minutes. The .5 T/O factor is not applied to any intralocal minutes, it's only applied to originating interlocal minutes routed over shared trunks. Regardless of call type, every terminating and originating minute transmitted through a switch during a holding time study is included in ALLTEL's DEM minutes. SMOU minutes are not used in the development of the DEM factor.

⁶ *General Communications, Inc. v. Alaska Communications Sys. Holdings, Inc.*, EB00-MD-016, Memorandum Opinion and Order, FCC 01-32, paras. 43-44 (rel. Jan. 24, 2001).

⁷ Id. at ¶43.

V. ALLTEL'S METHODOLOGY FOR THE DEVELOPMENT OF THE DEM ALLOCATION FACTOR HAS NOT CHANGED

ALLTEL conducts seven day twenty-four hour holding time studies on each of its 767 switches within 24 study areas. Holding times represent the time in which telephone plant is in actual use. Holding times measure the originating and terminating usage across the following call connections; intralocal (line to line), interlocal (line to local trunks), toll (line to toll trunks), and shared (line to interlocal and toll trunks). Measured holding time minutes are used to determine the relationship of each call type to total switch usage. If a call is intralocal (originates and terminates within the same exchange) then both originating and terminating minutes are included in total DEM minutes. Toll minutes are apportioned between state and interstate by applying a jurisdictional percentage from carrier access billing minutes. After holding time usage for each exchange is properly categorized into toll, interlocal, and intralocal the toll portion is further allocated between state and interstate based on study period carrier access minute recordings. Results produce state toll, interstate toll, interlocal, and intralocal DEM minutes for each ALLTEL exchange. Summing jurisdictional DEM minutes from each exchange then dividing each jurisdiction's study area DEM minutes by total study area DEM minutes develops study area DEM allocation factors.

Before toll minutes can be apportioned between state and interstate, all interlocal minutes measured on shared trunks must be removed. Originating interlocal minutes measured on shared trunks are identified by using a source/destination matrix. The matrix is programmed to distinguish between toll and interlocal usage based on the prefix dialed. Terminating interlocal minutes measured on shared trunks are not identifiable

due to incoming calls not having prefix information to determine where the call originated, either a toll or interlocal location. Prior to 2000, ALLTEL's usage studies have utilized a one-to-one relationship of terminating to originating (T/O) minutes to estimate terminating interlocal minutes. Originating plus terminating interlocal minutes are removed from shared minutes and added to local minutes. The remaining shared minutes are added to minutes measured on toll trunks. The utilization of a one-to-one T/O is a reasonable estimate if traditional voice traffic calls are placed. The reasonableness of this approach vanishes if interlocal calls are placed to services that are, by design, originating only in nature e.g. calls to internet service providers (ISPs) and one way optional calling plans.

For example, when an ISP locates in an exchange that has interlocal calling with an ALLTEL exchange, and/or in exchanges that have optional interlocal calling plans (OCP), terminating minutes are overstated when a one-to-one T/O is used to reflect traffic routed over shared trunks. When an ALLTEL customer in exchange A dials a local number to an ISP in exchange B the call may be routed over shared trunks that carry both toll and interlocal usage. The interlocal number dialed by the ALLTEL customer is attached to Internet equipment that only collects incoming calls. Therefore the one-to-one relationship, when applied to all originating Interlocal usage routed over shared trunks, is no longer representative of the actual directional flow of usage. The result of the application of an incorrect factor skews the DEM allocation for all jurisdictions. The diagram on Attachment E, (page 9 of 14) illustrates the flow of traffic into the DEM development process.

In 2000, ALLTEL introduced updated studies that applied a .5 T/O factor to all originating interlocal usage routed over shared trunks. This T/O factor is intended to better approximate terminating usage on shared trunks such as interlocal originated calls from ALLTEL paging providers, enhanced service providers and ISPs.

ALLTEL's method for calculating DEM allocation factors has not changed. ALLTEL's methodology to develop all traffic factors has been in existence for many years. The methodology has been reviewed and approved by the National Exchange Carrier Association (NECA), and prior to NECA they were reviewed and approved by the Bell Operating Companies. This methodology has always used factors, which have been periodically updated, to determine the proper call type of shared usage from switch holding time studies. As new traffic patterns have emerged every attempt has been made to appropriately reflect that traffic in the DEM calculation. The studies are conducted consistent with the Commission's rules. It is important to note that despite the ongoing controversy over the jurisdictional nature of ISP bound traffic ALLTEL continues to count ISP traffic as local.

VI. INTERSTATE LOCAL SWITCHING COSTS ARE DRIVEN BY A VARIETY OF FACTORS

Changes found in ALLTEL's interstate switching costs for the 2001/2002 interstate access tariff filing are not only due to the change in the terminating factor, but also due to changes in jurisdictional access minutes, new holding time studies, investments, and expenses. Attachment A (pages 2 and 3 of 14) reflect only slight changes in interstate DEM resulting from the application of a 0.5 or 1.0 T/O. An increase in ALLTEL's interstate local switching rate also reflects the fact that previous allocations

of interstate local switching costs did not produce rates that allowed ALLTEL to achieve a reasonable return. This investigation was initially precipitated by increases in local switching rates for certain ALLTEL study areas e.g. ALLTEL Carolina. It is noteworthy that ALLTEL Carolina had earned below the authorized return level for the previous two years reflecting some need for rate correction. As ALLTEL has demonstrated, that rate increase was warranted and developed in accordance with the Commission's rules. Furthermore, ALLTEL applied the rules consistently to derive rates for all study areas regardless of whether rates increased or decreased.

VII. RECALCULATION OF DEM UTILIZING COMMISSION PARAMETERS DOES NOT PRODUCE SIGNIFICANTLY DIFFERENT RESULTS

In accordance with Commission direction ALLTEL has recalculated the DEM allocation factors using 2000 data and a 1.0 T/O factor to replace the 0.5 T/O used for affected exchanges. Attachment A contains recalculated DEM factors for 17 of ALLTEL's 24 study areas. Attachment B contains all data underlying the recalculated DEMs. Within ALLTEL's 24 study areas there are 1,158 exchanges. Of the 1,158 exchanges only 279 exchanges within 17 study areas have ISP and/or OCP usage routed over shared trunks. Recalculated DEM factors based on a 1.0 T/O factor result in an interstate DEM allocation factor decrease of .43% for all study areas combined. The same results for only study areas that require a T/O factor show a decrease in the interstate DEM factor of .48%. Additional attachments illustrate the change in ALLTEL's DEM over time.

VIII. CONCLUSION

The refinement of a single factor to more accurately reflect underlying traffic patterns does not constitute a methodological change and is in total compliance with the FCC's rules. The separations rules only seek to allocate costs in the most accurate and precise fashion regardless of direction or magnitude of change. ALLTEL, in seeking to more accurately reflect the traffic underlying the jurisdictional allocation of costs, made an input change to a consistently applied traffic factor development methodology for all impacted study areas regardless of call type. There was no predetermined notion that interstate local switching rates would increase or decrease since the resulting rate change is based not only on DEM, but also on changes in jurisdictional access minutes, holding time studies, investment levels, and expense levels in the prospective period. ALLTEL has performed the calculations requested by the Commission and demonstrated that there is no significant change resulting from the Commission's approach which is less precise and applies an arbitrary and inappropriate historical one-to-one T/O factor for interlocal traffic. ALLTEL also believes that the DEM factors used in allocating interstate switching costs for the 2001/2002 interstate access tariff rates are consistent with Part 36 rules.

ALLTEL requests that the Commission finds that ALLTEL's rates were developed in compliance with the Commission's rules and accordingly find them lawful and allow them to become effective.



**Exhibits For Direct Case
CC Docket No. 01-206**

EXHIBIT		
#	Name	Description
A	DEM Factors	UNWEIGHTED DEM FACTORS
B	DEM Usage	UNWEIGHTED DEM MINUTES
C	DEM Detail	ALL DATA TO SUPPORT DEM FACTORS (separate files contained on CD-ROM)
D	Study Areas	STUDY AREA INFORMATION
E	DEM Diagram	DIAGRAM OF DEM FACTOR DEVELOPMENT METHODOLOGY
F	DEM Analysis	DEM MOU and FACTOR ANALYSIS
G	DEM Summary	DEM MOU and FACTOR SUMMARY
H	DEM History	INTERSTATE DEM FACTOR HISTORY
I	DEM Statistics	INTERSTATE DEM ANALYSIS
J	DEM Chart	DEM HITORY CHART



UNWEIGHTED DEM FACTORS

Study Area	State Intralata	State Interlata	Interstate	Interlocal	Intralocal	Total
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SUMMARY

1. 2000 w/.5 Factor	7.36%	6.35%	15.56%	34.04%	36.69%	100.00%
2. 2000 w/1.0 Factor	7.17%	6.13%	15.02%	34.99%	36.69%	100.00%
3. 1999	6.11%	6.36%	14.12%	35.97%	37.45%	100.00%

2000 Annual UNWEIGHTED DEM FACTORS w/.5 Factor

4. Alabama	10.43%	5.97%	20.57%	30.24%	32.80%	100.00%
5. Arkansas	14.01%	5.50%	18.36%	7.25%	54.89%	100.00%
6. Florida	3.63%	9.46%	14.60%	42.92%	29.39%	100.00%
7. Georgia Com	4.71%	6.91%	13.78%	27.04%	47.57%	100.00%
8. Georgia Telecom	6.28%	9.23%	15.63%	24.15%	44.71%	100.00%
9. ALLTEL Georgia	6.25%	4.50%	14.08%	48.95%	26.23%	100.00%
10. Georgia Standard	24.56%	4.23%	18.93%	5.99%	46.30%	100.00%
11. Kentucky	12.04%	4.75%	19.19%	41.60%	22.43%	100.00%
12. Mississippi	9.19%	2.21%	21.18%	26.32%	41.10%	100.00%
13. Missouri	15.29%	6.28%	16.92%	12.59%	48.93%	100.00%
14. Ny - Fulton	6.42%	4.98%	13.93%	49.70%	24.98%	100.00%
15. Ny - Jamestown	5.83%	3.31%	15.61%	27.90%	47.35%	100.00%
16. Ny - Red Jacket	11.07%	11.27%	16.79%	42.31%	18.56%	100.00%
17. North Carolina	2.57%	6.24%	18.41%	47.03%	25.76%	100.00%
18. ALLTEL Ohio	5.35%	8.02%	15.90%	34.78%	35.95%	100.00%
19. Oklahoma	28.99%	4.68%	19.78%	11.07%	35.49%	100.00%
20. Oklahoma ALLTEL	17.79%	6.41%	24.65%	5.22%	45.93%	100.00%
21. Pennsylvania	9.42%	5.57%	11.27%	37.21%	36.54%	100.00%
22. South Carolina	3.30%	4.42%	15.79%	41.82%	34.67%	100.00%
23. Sugar Land	1.15%	4.98%	13.14%	61.07%	19.66%	100.00%
24. Texas	7.87%	11.05%	15.29%	39.64%	26.14%	100.00%
25. Western Reserve	5.74%	7.96%	16.83%	36.24%	33.23%	100.00%
26. Total	7.36%	6.35%	15.56%	34.04%	36.69%	100.00%

ALLTEL
UNWEIGHTED DEM FACTORS

Study Area	State Intralata	State Interlata	Interstate	Interlocal	Intralocal	Total
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2000 Annual UNWEIGHTED DEM FACTORS w/1.0 Factor						
27. Alabama	10.43%	5.97%	20.57%	30.24%	32.80%	100.00%
28. Arkansas	14.01%	5.50%	18.36%	7.25%	54.89%	100.00%
29. Florida	3.57%	9.30%	14.32%	43.41%	29.39%	100.00%
30. Georgia Com	4.69%	6.88%	13.72%	27.15%	47.57%	100.00%
31. Georgia Telecom	6.28%	9.23%	15.63%	24.15%	44.71%	100.00%
32. ALLTEL Georgia	6.24%	4.49%	14.05%	48.98%	26.23%	100.00%
33. Georgia Standard	24.56%	4.23%	18.93%	5.99%	46.30%	100.00%
34. Kentucky	11.99%	4.72%	19.06%	41.81%	22.43%	100.00%
35. Mississippi	9.19%	2.21%	21.18%	26.32%	41.10%	100.00%
36. Missouri	15.18%	6.17%	16.59%	13.14%	48.93%	100.00%
37. Ny - Fulton	5.27%	4.10%	11.51%	54.15%	24.98%	100.00%
38. Ny - Jamestown	5.82%	3.31%	15.60%	27.92%	47.35%	100.00%
39. Ny - Red Jacket	11.07%	11.27%	16.79%	42.31%	18.56%	100.00%
40. North Carolina	2.46%	5.97%	17.51%	48.30%	25.76%	100.00%
41. ALLTEL Ohio	4.73%	7.03%	13.76%	38.53%	35.95%	100.00%
42. Oklahoma	28.99%	4.68%	19.78%	11.07%	35.49%	100.00%
43. Oklahoma ALLTEL	17.79%	6.41%	24.65%	5.22%	45.93%	100.00%
44. Pennsylvania	9.18%	5.47%	11.02%	37.78%	36.54%	100.00%
45. South Carolina	3.09%	4.28%	15.08%	42.88%	34.67%	100.00%
46. Sugar Land	1.15%	4.98%	13.14%	61.07%	19.66%	100.00%
47. Texas	7.65%	10.83%	14.92%	40.46%	26.14%	100.00%
48. Western Reserve	5.12%	7.09%	15.07%	39.49%	33.23%	100.00%
49. Total	7.17%	6.13%	15.02%	34.99%	36.69%	100.00%



UNWEIGHTED DEM FACTORS

Study Area	State Intralata	State Interlata	Interstate	Interlocal	Intralocal	Total
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1999 Annual UNWEIGHTED DEM FACTORS

50. Alabama	5.06%	4.58%	12.31%	45.26%	32.80%	100.00%
51. Arkansas	15.53%	6.33%	18.97%	6.94%	52.23%	100.00%
52. Florida	3.08%	10.52%	14.76%	38.05%	33.59%	100.00%
53. Georgia Com	3.08%	6.82%	12.62%	29.64%	47.84%	100.00%
54. Georgia Telecom	4.40%	8.36%	13.17%	29.33%	44.73%	100.00%
55. ALLTEL Georgia	3.92%	5.17%	11.86%	51.90%	27.15%	100.00%
56. Georgia Standard	22.75%	4.19%	20.78%	5.98%	46.30%	100.00%
57. Kentucky	3.58%	3.57%	10.48%	51.16%	31.22%	100.00%
58. Mississippi	5.70%	2.04%	13.02%	38.14%	41.10%	100.00%
59. Missouri	15.86%	6.89%	16.58%	12.04%	48.64%	100.00%
60. Ny - Fulton	4.59%	4.81%	11.72%	50.89%	27.99%	100.00%
61. Ny - Jamestown	4.76%	4.87%	15.11%	27.92%	47.34%	100.00%
62. Ny - Red Jacket	15.48%	12.72%	18.10%	24.94%	28.75%	100.00%
63. North Carolina	0.73%	5.23%	14.02%	54.17%	25.86%	100.00%
64. ALLTEL Ohio	3.93%	7.56%	13.26%	39.06%	36.19%	100.00%
65. Oklahoma	30.10%	4.79%	18.11%	10.24%	36.76%	100.00%
66. Oklahoma ALLTEL	18.67%	5.15%	19.45%	4.09%	52.65%	100.00%
67. Pennsylvania	10.01%	6.35%	12.45%	32.76%	38.43%	100.00%
68. South Carolina	1.97%	4.52%	14.50%	44.34%	34.66%	100.00%
69. Sugar Land	1.07%	5.03%	13.00%	61.14%	19.75%	100.00%
70. Texas	6.57%	9.83%	13.79%	42.26%	27.54%	100.00%
71. Western Reserve	4.58%	8.05%	15.02%	38.72%	33.63%	100.00%
72. Total	6.11%	6.36%	14.12%	35.97%	37.45%	100.00%

ALLTEL
UNWEIGHTED DEM MINUTES
Annualized

Study Area	State Intralata	State Interlata	Interstate	Interlocal	Intralocal	Total
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SUMMARY

1. 2000 w/.5 Factor	2,716,819,660	2,344,170,875	5,744,533,150	12,565,385,529	13,542,420,171	36,913,329,386
2. 2000 w/1.0 Factor	2,648,516,336	2,261,641,240	5,544,894,838	12,915,856,800	13,542,420,171	36,913,329,386
3. 1999	2,132,860,639	2,220,841,262	4,930,242,799	12,562,059,961	13,081,057,897	34,927,062,558

2000 Annual UNWEIGHTED DEM MINUTES w/.5 Factor

4. Alabama	48,029,274	27,489,537	94,759,286	139,300,029	151,082,057	460,660,183
5. Arkansas	268,681,036	105,472,957	352,109,904	138,982,800	1,052,644,629	1,917,891,326
6. Florida	53,476,013	139,213,764	214,845,446	631,717,029	432,571,286	1,471,823,537
7. Georgia Com	279,294,944	409,957,633	817,713,594	1,605,094,071	2,823,889,200	5,935,949,443
8. Georgia Telecom	91,739,745	134,918,360	228,381,432	352,975,071	653,504,057	1,461,518,666
9. ALLTEL Georgia	82,937,862	59,710,994	186,914,739	649,907,271	348,299,914	1,327,770,780
10. Georgia Standard	406,578,232	69,964,083	313,408,205	99,205,029	766,541,400	1,655,696,949
11. Kentucky	88,476,113	34,903,867	141,094,998	305,799,043	164,874,771	735,148,791
12. Mississippi	22,129,479	5,318,911	51,019,988	63,412,286	99,003,943	240,884,606
13. Missouri	143,345,872	58,850,331	158,685,951	118,033,757	458,841,686	937,757,597
14. Ny - Fulton	65,942,213	51,224,463	143,150,506	510,879,600	256,728,343	1,027,925,126
15. Ny - Jamestown	53,895,243	30,648,032	144,403,868	258,167,614	438,071,829	925,186,586
16. Ny - Red Jacket	6,588,202	6,711,923	9,993,264	25,192,629	11,049,943	59,535,960
17. North Carolina	115,571,175	280,934,089	829,516,650	2,118,760,200	1,160,674,029	4,505,456,143
18. ALLTEL Ohio	111,118,026	166,531,400	330,097,020	722,319,386	746,515,029	2,076,580,860
19. Oklahoma	62,470,833	10,080,150	42,637,292	23,854,886	76,484,571	215,527,731
20. Oklahoma ALLTEL	78,583,006	28,326,488	108,864,889	23,048,229	202,870,286	441,692,897
21. Pennsylvania	459,454,658	271,528,121	549,703,335	1,815,321,171	1,782,940,629	4,878,947,914
22. South Carolina	29,711,040	39,777,792	141,939,682	375,994,586	311,735,314	899,158,414
23. Sugar Land	22,737,630	98,663,481	260,161,449	1,209,170,914	389,173,371	1,979,906,846
24. Texas	37,869,086	53,164,990	73,524,804	190,678,243	125,727,686	480,964,809
25. Western Reserve	188,189,978	260,779,510	551,606,849	1,187,571,686	1,089,196,200	3,277,344,223
26. Total	2,716,819,660	2,344,170,875	5,744,533,150	12,565,385,529	13,542,420,171	36,913,329,386



UNWEIGHTED DEM MINUTES
Annualized

Study Area	State Intralata	State Interlata	Interstate	Interlocal	Intralocal	Total
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2000 Annual UNWEIGHTED DEM MINUTES w/1.0 Factor						
27. Alabama	48,029,274	27,489,537	94,759,286	139,300,029	151,082,057	460,660,183
28. Arkansas	268,681,036	105,472,957	352,109,904	138,982,800	1,052,644,629	1,917,891,326
29. Florida	52,599,989	136,924,524	210,766,224	638,961,514	432,571,286	1,471,823,537
30. Georgia Com	278,218,213	408,262,457	814,167,587	1,611,411,986	2,823,889,200	5,935,949,443
31. Georgia Telecom	91,738,641	134,910,240	228,373,985	352,991,743	653,504,057	1,461,518,666
32. ALLTEL Georgia	82,874,582	59,603,428	186,592,898	650,399,957	348,299,914	1,327,770,780
33. Georgia Standard	406,578,232	69,964,083	313,408,205	99,205,029	766,541,400	1,655,696,949
34. Kentucky	88,125,486	34,668,456	140,144,735	307,335,343	164,874,771	735,148,791
35. Mississippi	22,129,479	5,318,911	51,019,988	63,412,286	99,003,943	240,884,606
36. Missouri	142,339,342	57,823,991	155,561,436	123,191,143	458,841,686	937,757,597
37. Ny - Fulton	54,132,864	42,129,865	118,335,869	556,598,186	256,728,343	1,027,925,126
38. Ny - Jamestown	53,845,913	30,632,234	144,318,868	258,317,743	438,071,829	925,186,586
39. Ny - Red Jacket	6,588,202	6,711,923	9,993,264	25,192,629	11,049,943	59,535,960
40. North Carolina	110,653,095	268,911,946	788,900,802	2,176,316,271	1,160,674,029	4,505,456,143
41. ALLTEL Ohio	98,204,893	145,909,474	285,747,108	800,204,357	746,515,029	2,076,580,860
42. Oklahoma	62,470,833	10,080,150	42,637,292	23,854,886	76,484,571	215,527,731
43. Oklahoma ALLTEL	78,583,006	28,326,488	108,864,889	23,048,229	202,870,286	441,692,897
44. Pennsylvania	447,768,219	267,038,184	537,742,111	1,843,458,771	1,782,940,629	4,878,947,914
45. South Carolina	27,778,569	38,460,730	135,604,387	385,579,414	311,735,314	899,158,414
46. Sugar Land	22,737,314	98,663,074	260,160,758	1,209,172,329	389,173,371	1,979,906,846
47. Texas	36,777,900	52,109,932	71,768,005	194,581,286	125,727,686	480,964,809
48. Western Reserve	167,661,255	232,228,658	493,917,238	1,294,340,871	1,089,196,200	3,277,344,223
49. Total	2,648,516,336	2,261,641,240	5,544,894,838	12,915,856,800	13,542,420,171	36,913,329,386

ALLTEL
UNWEIGHTED DEM MINUTES
Annualized

Study Area	State Intralata	State Interlata	Interstate	Interlocal	Intralocal	Total
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1999 Annual UNWEIGHTED DEM MINUTES						
50. Alabama	23,322,875	21,091,551	56,689,450	208,474,296	151,082,184	460,660,356
51. Arkansas	277,268,077	112,940,814	338,516,471	123,893,775	932,245,275	1,784,864,412
52. Florida	39,026,126	133,369,274	187,054,247	482,330,475	425,854,251	1,267,634,373
53. Georgia Com	180,446,240	399,638,665	739,413,523	1,737,009,485	2,803,398,210	5,859,906,123
54. Georgia Telecom	64,259,594	122,170,803	192,460,142	428,567,883	653,555,697	1,461,014,119
55. ALLTEL Georgia	48,778,314	64,346,463	147,632,187	645,725,472	337,789,080	1,244,271,516
56. Georgia Standard	376,024,915	69,251,643	343,502,889	98,920,543	765,323,179	1,653,023,169
57. Kentucky	16,325,369	16,283,490	47,810,169	233,356,272	142,397,328	456,172,628
58. Mississippi	13,739,469	4,904,762	31,369,445	91,866,960	99,003,972	240,884,608
59. Missouri	139,546,243	60,594,455	145,887,595	105,970,776	428,004,744	880,003,813
60. Ny - Fulton	43,448,405	45,584,493	110,969,863	482,024,592	265,100,607	947,127,960
61. Ny - Jamestown	44,022,619	45,068,211	139,856,295	258,392,928	438,071,871	925,411,924
62. Ny - Red Jacket	6,674,268	5,482,560	7,802,451	10,752,588	12,393,360	43,105,227
63. North Carolina	32,650,543	233,859,931	627,420,162	2,424,150,004	1,157,266,512	4,475,347,152
64. ALLTEL Ohio	81,174,073	155,981,414	273,663,179	806,109,861	746,988,126	2,063,916,653
65. Oklahoma	62,701,532	9,971,447	37,729,307	21,343,713	76,589,766	208,335,765
66. Oklahoma ALLTEL	54,746,448	15,095,551	57,012,802	11,976,831	154,345,944	293,177,576
67. Pennsylvania	412,437,562	261,530,135	512,924,052	1,349,810,751	1,583,238,945	4,119,941,445
68. South Carolina	17,702,520	40,689,561	130,437,478	398,841,153	311,735,424	899,406,136
69. Sugar Land	21,092,961	99,021,459	255,725,118	1,202,993,034	388,625,508	1,967,458,080
70. Texas	30,380,876	45,456,647	63,773,832	195,437,342	127,371,708	462,420,405
71. Western Reserve	147,091,610	258,507,933	482,592,142	1,244,111,227	1,080,676,206	3,212,979,118
72. Total	2,132,860,639	2,220,841,262	4,930,242,799	12,562,059,961	13,081,057,897	34,927,062,558



**Exhibits For Direct Case
CC Docket No. 01-206**

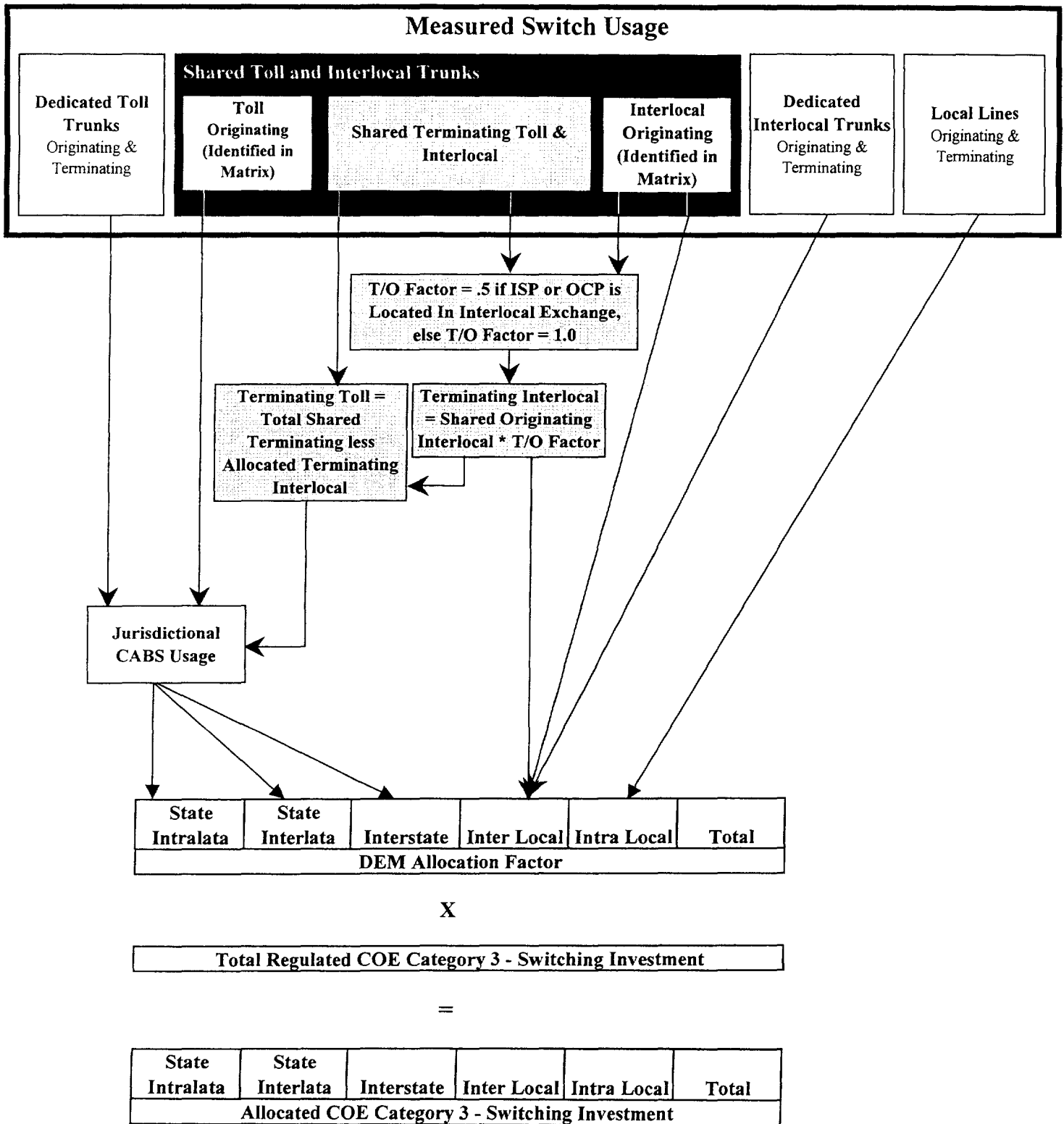
EXHIBIT C

This Exhibit is contained on CD-ROM only.

ALLTEL
STUDY AREA INFORMATION

Study Area	DEM Weighting	(R)ate of Return or (P)rice Cap	Common Line Tariff	Traffic Sensitive Tariff	Number of Exchanges	Number of Polled Switches	Number of Exchanges with Terminating Factor Adjustment	Number of Exchanges with Revised Holding Times	Access Lines as of 6/30/01
1. Alabama	2.0	R	No	Yes	10	8	0	5	28,346
2. Arkansas	1.0	R	No	Yes	72	59	0	0	110,819
3. Florida	1.0	R	No	Yes	33	27	19	0	94,902
4. Georgia Com	1.0	P	Yes	Yes	133	70	25	61	343,459
5. Georgia Telecom	1.0	P	Yes	Yes	44	40	3	31	99,279
6. ALLTEL Georgia	1.0	R	No	Yes	28	21	4	20	71,921
7. Georgia Telephone	3.0	R	No	No	5	5	0	0	7,822
8. Georgia Standard	1.0	R	No	No	23	18	0	0	81,643
9. Kentucky	2.0	R	No	Yes	6	3	3	3	27,836
10. Mississippi	2.5	R	No	Yes	3	3	0	4	12,569
11. Missouri	1.0	R	No	Yes	67	60	6	2	67,677
12. NY - Fulton	2.0	R	No	Yes	12	8	7	5	49,082
13. NY - Jamestown	1.0	R	No	Yes	24	15	1	1	52,556
14. NY - Red Jacket	3.0	R	No	Yes	1	1	0	0	2,828
15. Nebraska	1.0	P	Yes	Yes	150	75	0	0	286,011
16. North Carolina	1.0	R	No	Yes	32	31	31	35	234,606
17. ALLTEL Ohio	1.0	R	No	No	45	25	14	27	140,256
18. Oklahoma	2.5	R	No	Yes	54	29	0	0	15,771
19. Oklahoma ALLTEL	2.5	R	No	Yes	11	8	0	0	19,604
20. Pennsylvania	1.0	R	No	Yes	108	83	16	9	244,615
21. South Carolina	1.0	R	No	Yes	16	7	5	7	60,962
22. Sugar Land	1.0	R	No	Yes	49	9	2	4	82,175
23. Texas	2.0	R	No	Yes	36	30	9	19	32,645
24. Western Reserve	1.0	R	No	Yes	70	44	36	32	193,716
25. Total 24	9	21	3	21	1,032	679	181	265	2,361,100
26. TS Tariff Totals				21	959	631	167	238	2,131,379

DIAGRAM OF DEM FACTOR DEVELOPMENT METHODOLOGY





DEM MOU and FACTOR ANALYSIS

Rate of Return Study Areas

Study Area	DEM Weighting	Study Area Exchanges			Interstate DEM Minutes					Interstate DEM Factor				
		Total	Adjusted Exchanges	% Adjusted To Total	01/02 Filing Using .5 T/O Factor	01/02 Filing Using 1.0 T/O Factor	Variance	00/01 Filing	Variance	01/02 Filing Using .5 T/O Factor	01/02 Filing Using 1.0 T/O Factor	Variance	00/01 Filing	Variance
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)=(f-g)	(i)	(j)=(f-i)	(k)	(l)	(m)=(k-l)	(n)	(o)=(k-n)
1. Alabama	2.0	10	0	0.00%	94,759,286	94,759,286	0	56,689,450	38,069,836	0.205703	0.205703	0.000000	0.123061	0.082642
2. Arkansas	1.0	72	0	0.00%	352,109,904	352,109,904	0	338,516,471	13,593,433	0.183592	0.183592	0.000000	0.189659	-0.006067
3. Florida	1.0	33	19	57.58%	214,845,446	210,766,224	4,079,222	187,054,247	27,791,199	0.145972	0.143201	0.002772	0.147562	-0.001589
4. Georgia Com	1.0	133	25	18.80%	817,713,594	814,167,587	3,546,007	739,413,523	78,300,071	0.137756	0.137159	0.000597	0.126182	0.011574
5. Georgia Telecom	1.0	44	3	6.82%	228,381,432	228,373,985	7,446	192,460,142	35,921,290	0.156263	0.156258	0.000005	0.131731	0.024533
6. ALLTEL Georgia	1.0	28	4	14.29%	186,914,739	186,592,898	321,841	147,632,187	39,282,552	0.140773	0.140531	0.000242	0.118649	0.022124
7. Georgia Standard	1.0	23	0	0.00%	313,408,205	313,408,205	0	343,502,889	-30,094,684	0.189291	0.189291	0.000000	0.207803	-0.018512
8. Kentucky	2.0	6	3	50.00%	141,094,998	140,144,735	950,262	47,810,169	93,284,829	0.191927	0.190635	0.001293	0.104807	0.087120
9. Mississippi	2.5	3	0	0.00%	51,019,988	51,019,988	0	31,369,445	19,650,543	0.211803	0.211803	0.000000	0.130226	0.081577
10. Missouri	1.0	67	6	8.96%	158,685,951	155,561,436	3,124,515	145,887,595	12,798,356	0.169219	0.165887	0.003332	0.165781	0.003438
11. NY - Fulton	2.0	12	7	58.33%	143,150,506	118,335,869	24,814,638	110,969,863	32,180,643	0.139262	0.115121	0.024141	0.117165	0.022097
12. NY - Jamestown	1.0	24	1	4.17%	144,403,868	144,318,868	85,001	139,856,295	4,547,573	0.156081	0.155989	0.000092	0.151129	0.004952
13. NY - Red Jacket	3.0	1	0	0.00%	9,993,264	9,993,264	0	7,802,451	2,190,813	0.167853	0.167853	0.000000	0.181009	-0.013157
14. North Carolina	1.0	32	31	96.88%	829,516,650	788,900,802	40,615,848	627,420,162	202,096,488	0.184114	0.175099	0.009015	0.140195	0.043919
15. ALLTEL Ohio	1.0	45	14	31.11%	330,097,020	285,747,108	44,349,912	273,663,179	56,433,841	0.158962	0.137605	0.021357	0.132594	0.026368
16. Oklahoma	2.5	54	0	0.00%	42,637,292	42,637,292	0	37,729,307	4,907,985	0.197827	0.197827	0.000000	0.181099	0.016729
17. Oklahoma ALLTEL	2.5	11	0	0.00%	108,864,889	108,864,889	0	57,012,802	51,852,087	0.246472	0.246472	0.000000	0.194465	0.052007
18. Pennsylvania	1.0	108	16	14.81%	549,703,335	537,742,111	11,961,225	512,924,052	36,779,283	0.112668	0.110217	0.002452	0.124498	-0.011829
19. South Carolina	1.0	16	5	31.25%	141,939,682	135,604,387	6,335,296	130,437,478	11,502,204	0.157858	0.150813	0.007046	0.145026	0.012832
20. Sugar Land	1.0	49	2	4.08%	260,161,449	260,160,758	691	255,725,118	4,436,331	0.131401	0.131401	0.000000	0.129977	0.001423
21. Texas	2.0	36	9	25.00%	73,524,804	71,768,005	1,756,798	63,773,832	9,750,972	0.152869	0.149217	0.003653	0.137913	0.014956
22. Western Reserve	1.0	70	36	51.43%	551,606,849	493,917,238	57,689,611	482,592,142	69,014,707	0.168309	0.150707	0.017603	0.150201	0.018108
23. Total	8	877	181	20.64%	5,744,533,150	5,544,894,838	199,638,313	4,930,242,799	814,290,351	0.168453	0.164199	0.004254	0.146851	0.021602



DEM MOU and FACTOR SUMMARY
Rate of Return Study Areas

DEM Minutes of Use Comparison

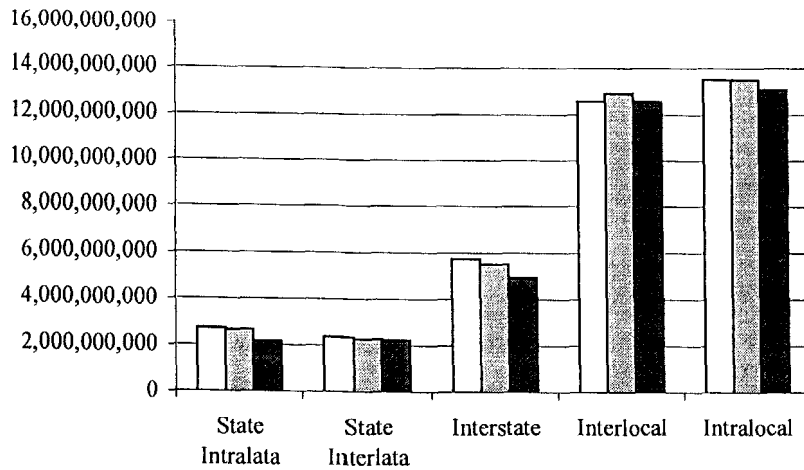
Jurisdiction	01/02 Filing Using .5 T/O Factor	01/02 Filing Using 1.0 T/O Factor	00/01 Filing	Variance
State Intralata	2,716,819,660	2,648,516,336	2,132,860,639	583,959,021
State Interlata	2,344,170,875	2,261,641,240	2,220,841,262	123,329,613
Interstate	5,744,533,150	5,544,894,838	4,930,242,799	814,290,351
Interlocal	12,565,385,529	12,915,856,800	12,562,059,961	3,325,568
Intralocal	13,542,420,171	13,542,420,171	13,081,057,897	461,362,274
Total	36,913,329,386	36,913,329,386	34,927,062,558	1,986,266,828

DEM Factor Comparison

Jurisdiction	01/02 Filing Using .5 T/O Factor	01/02 Filing Using 1.0 T/O Factor	00/01 Filing	Variance
State Intralata	0.073600	0.071750	0.061066	0.012534
State Interlata	0.063505	0.061269	0.063585	-0.000080
Interstate	0.155622	0.150214	0.141158	0.014464
Interlocal	0.340402	0.349897	0.359666	-0.019263
Intralocal	0.366871	0.366871	0.374525	-0.007654
Total	1.000000	1.000000	1.000000	0.000000

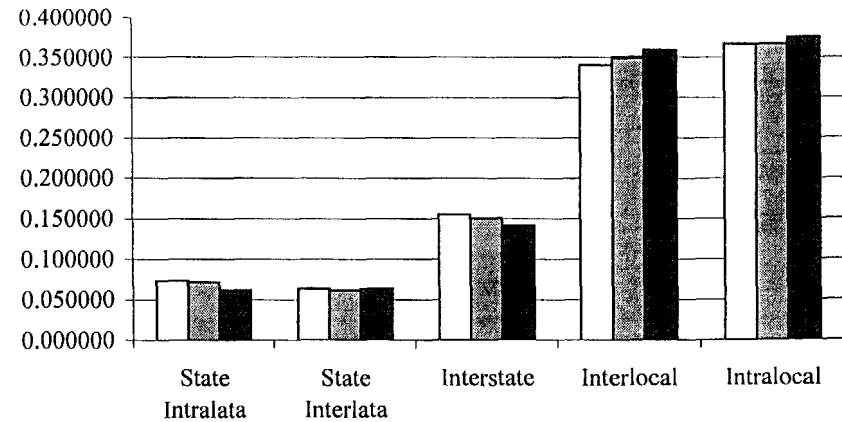
Annual 2000 DEM Minutes

☐ 01/02 Filing Using .5 T/O Factor
 ☐ 01/02 Filing Using 1.0 T/O Factor
 ☐ 00/01 Filing



Annual 2000 DEM Factor

☐ 01/02 Filing Using .5 T/O Factor
 ☐ 01/02 Filing Using 1.0 T/O Factor
 ☐ 00/01 Filing



ALLTEL
INTERSTATE DEM FACTOR HISTORY
 1995 thru 2001

Study Area	Estimated Interstate Access Tariff Filing							1995 thru 2001																			Actual Quarter Cost Studies											
	2001 / 2002	2000 / 2001	1999 / 2000	1998 / 1999	1997 / 1998	1996 / 1997	1995 / 1996	1Q01	4Q00	3Q00	2Q00	1Q00	4Q99	3Q99	2Q99	1Q99	4Q98	3Q98	2Q98	1Q98	4Q97	3Q97	2Q97	1Q97	4Q96	3Q96	2Q96	1Q96	4Q95	3Q95	2Q95	1Q95						
1. Alabama	33.69%	25.46%	25.23%	25.08%	26.23%	26.78%	0.00%	33.65%	33.69%	33.55%	33.25%	33.03%	25.46%	25.46%	25.46%	25.31%	25.23%	25.09%	25.00%	24.79%	23.93%	23.68%	31.07%	26.23%	26.23%	26.23%	26.23%	26.23%	26.23%	26.23%	36.21%	26.18%						
2. Arkansas	18.36%	19.41%	15.61%	18.15%	20.71%	0.00%	0.00%	18.29%	18.36%	18.21%	18.14%	17.78%	19.41%	19.42%	18.96%	18.03%	15.61%	15.44%	13.94%	14.00%	14.99%	15.00%	15.46%	15.94%	16.94%	17.15%	16.82%	16.45%	17.01%	16.45%	15.71%	15.36%						
3. Florida	14.60%	14.92%	14.27%	14.93%	15.55%	15.17%	14.36%	14.80%	14.60%	14.60%	14.54%	14.62%	14.92%	14.79%	14.74%	14.58%	14.27%	13.93%	13.90%	13.95%	13.97%	14.06%	14.29%	14.68%	14.28%	14.49%	14.53%	14.53%	13.99%	13.86%	13.94%	13.96%						
4. Georgia Com	13.78%	12.66%	12.38%	12.66%	13.35%	12.60%	13.43%	13.86%	13.78%	14.01%	13.89%	13.67%	12.66%	12.71%	12.64%	12.46%	12.38%	12.46%	12.68%	12.54%	12.66%	12.98%	12.66%	13.27%	13.35%	13.20%	12.94%	12.58%	12.60%	12.57%	12.34%	12.08%						
5. Georgia Telecom	15.63%	13.26%	13.17%	13.36%	15.46%	15.07%	14.67%	15.63%	15.63%	15.85%	15.82%	15.72%	13.26%	13.25%	13.17%	13.01%	13.17%	13.25%	13.38%	13.27%	13.36%	14.10%	13.61%	14.15%	15.46%	16.12%	15.81%	15.23%	15.07%	14.87%	14.29%	13.50%						
6. ALLTEL Georgia	14.08%	12.10%	11.56%	11.23%	10.76%	11.91%	21.73%	14.14%	14.08%	14.29%	14.18%	13.97%	12.10%	11.93%	11.77%	11.66%	11.56%	11.50%	11.51%	11.23%	11.23%	10.81%	10.73%	10.58%	11.75%	11.62%	12.06%	11.96%	11.86%	23.61%	23.69%	23.04%						
7. Georgia Standard	18.93%	20.78%	0.00%	0.00%	0.00%	0.00%	0.00%	19.18%	18.93%	19.56%	19.01%	20.78%	20.78%	20.78%	20.78%	20.78%	19.81%	19.81%	19.81%	19.81%																		
8. Kentucky	28.81%	19.95%	20.28%	19.94%	20.45%	19.51%	18.58%	28.71%	28.81%	29.01%	28.94%	28.48%	19.94%	20.03%	20.22%	20.20%	20.28%	19.80%	19.55%	19.74%	20.65%	20.72%	19.05%	19.66%	19.38%	19.51%	19.52%	18.48%	18.38%	18.57%	18.36%	18.28%						
9. Mississippi	39.55%	31.41%	31.06%	30.33%	30.08%	36.43%	31.86%	39.90%	39.55%	39.04%	38.65%	38.13%	31.41%	31.42%	31.45%	31.28%	31.06%	30.54%	30.68%	30.44%	29.90%	29.57%	35.84%	29.60%	30.08%	29.52%	29.86%	31.84%	36.43%	30.66%	29.85%	31.07%						
10. Missouri	16.92%	17.39%	16.29%	16.48%	17.29%	17.14%	30.29%	17.26%	16.92%	17.17%	17.02%	16.75%	17.39%	16.21%	16.34%	16.31%	16.29%	15.82%	15.43%	16.15%	16.48%	16.80%	16.39%	16.57%	16.94%	17.21%	16.96%	27.87%	34.61%	32.13%	31.44%	39.75%						
11. NY - Fulton	25.71%	23.48%	23.74%	22.95%	24.54%	23.57%	22.87%	25.77%	25.71%	25.72%	25.80%	26.19%	23.48%	23.49%	23.41%	23.64%	23.74%	23.20%	23.19%	23.05%	22.33%	21.75%	23.41%	23.50%	23.59%	24.39%	23.06%	23.20%	22.61%	22.69%	22.94%	21.58%						
12. NY - Jamestown	30.77%	30.89%	30.12%	29.87%	31.96%	28.85%	29.90%	15.68%	15.61%	15.76%	15.74%	30.42%	30.61%	30.38%	30.06%	30.06%	30.12%	30.18%	30.07%	29.94%	29.41%	29.11%	28.52%	31.51%	31.77%	32.77%	28.28%	28.49%	28.65%	28.39%	28.64%	28.38%						
13. NY - Red Jacket	54.20%	56.06%	54.83%	55.35%	56.88%	55.26%	45.00%	55.10%	54.20%	53.15%	52.67%	55.83%	56.06%	55.61%	55.55%	54.83%	54.83%	54.60%	54.35%	54.05%	53.80%	54.08%	56.41%	59.43%	56.88%	57.06%	56.10%	54.75%	55.26%	55.63%	55.22%	55.34%						
14. North Carolina	18.41%	13.84%	14.09%	13.62%	13.38%	15.96%	15.31%	18.42%	18.41%	18.55%	18.60%	18.60%	13.84%	13.93%	14.18%	14.13%	14.09%	13.92%	13.79%	13.72%	13.75%	13.90%	13.54%	13.51%	13.19%	16.33%	16.24%	15.82%	15.88%	15.96%	15.75%	15.62%						
15. ALLTEL Ohio	15.90%	13.07%	13.55%	16.23%	0.00%	0.00%	0.00%	16.19%	15.90%	15.62%	15.55%	15.56%	13.07%	13.23%	13.31%	13.43%	13.55%	13.43%	13.43%	13.52%	13.35%	13.00%	12.71%	12.58%	12.83%	11.96%	11.89%	11.37%	11.48%	11.25%	11.35%	11.57%						
16. Oklahoma	49.46%	48.26%	46.24%	47.10%	51.80%	50.11%	44.87%	48.93%	49.46%	49.06%	49.90%	49.44%	48.26%	48.03%	47.72%	47.06%	46.24%	46.63%	46.58%	47.10%	48.96%	51.18%	51.20%	52.11%	51.44%	48.72%	49.09%	48.53%	49.69%	49.24%	49.20%	48.49%						
17. Oklahoma ALLTEL	56.65%	53.23%	50.32%	50.19%	52.18%	54.93%	51.16%	56.80%	56.65%	57.22%	57.18%	53.09%	53.23%	51.66%	50.51%	50.42%	50.32%	50.53%	50.46%	50.64%	48.88%	50.13%	52.61%	52.85%	51.79%	52.54%	54.60%	54.56%	54.87%	52.75%	53.74%	52.58%						
18. Pennsylvania	11.27%	12.39%	12.41%	12.77%	15.66%	16.14%	14.48%	11.42%	11.27%	11.35%	11.33%	11.63%	12.39%	12.67%	12.42%	12.31%	12.41%	12.14%	12.57%	12.34%	12.11%	12.50%	13.04%	13.34%	13.60%	13.61%	13.68%	13.72%	13.70%	14.08%	12.37%	37.42%						
19. South Carolina	15.79%	14.53%	14.47%	14.59%	30.92%	28.93%	25.58%	15.52%	15.79%	15.74%	15.87%	15.74%	14.53%	14.51%	14.51%	14.47%	14.47%	14.45%	14.34%	14.61%	14.59%	29.10%	30.71%	30.49%	30.66%	29.99%	29.00%	28.97%	28.66%	28.11%	28.11%	27.43%						
20. Sugar Land	13.14%	12.99%	12.70%	12.49%	12.76%	14.06%	26.81%	13.13%	13.14%	13.26%	13.26%	12.90%	12.99%	12.95%	13.06%	12.70%	12.64%	12.64%	12.69%	12.49%	12.54%	12.62%	12.50%	12.76%	12.75%	12.70%	12.66%	14.06%	26.50%	26.28%	26.26%							
21. Texas	29.58%	27.66%	27.90%	29.45%	30.84%	28.45%	0.00%	29.61%	29.58%	29.53%	29.69%	29.50%	27.66%	27.91%	28.40%	28.43%	27.90%	27.71%	28.19%	28.88%	29.69%	28.94%	31.19%	34.05%	30.38%	28.45%	27.42%	28.02%	28.14%	29.05%	27.32%	27.68%						
22. Western Reserve	16.83%	14.94%	15.27%	16.92%	18.08%	17.13%	14.75%	17.40%	16.83%	16.61%	16.61%	16.62%	14.94%	15.17%	14.96%	15.01%	15.27%	15.23%	15.59%	15.75%	15.63%	15.54%	15.12%	15.34%	15.80%	15.19%	15.18%	15.12%	15.07%	13.95%	13.95%	13.96%						
23. Total / Average	25.09%	23.12%	21.61%	21.99%	23.13%	22.18%	19.80%	24.52%	24.40%	24.40%	24.35%	24.93%	23.11%	22.98%	22.89%	22.75%	22.51%	22.38%	22.32%	22.37%	22.48%	23.31%	24.29%	24.37%	24.24%	24.23%	23.90%	24.30%	24.97%	25.55%	25.75%	26.64%						



INTERSTATE DEM ANALYSIS
1995 thru 2001

Sorted By 2001/2002 % Change			Estimated Interstate Access Tariff Filing							Actual Quarter Cost Studies				
			Percent Change Over Prior Year							1Q95 thru 1Q01				
			2001 / 2002	2000 / 2001	1999 / 2000	1998 / 1999	1997 / 1998	1996 / 1997	1995 / 1996	Standard Deviation	Range (Highest - Lowest)	Highest Factor	Average Factor	Lowest Factor
Study Area	Access Lines as of 6/30/01	DEM Weighting												
1. Kentucky	27,836	2.0	44.44%	-1.65%	1.68%	-2.49%	4.81%	5.03%		3.77%	10.73%	29.01%	21.37%	18.28%
2. North Carolina	234,606	1.0	32.99%	-1.76%	3.48%	1.74%	-16.16%	4.29%		1.84%	5.42%	18.60%	15.35%	13.19%
3. Alabama	28,346	2.0	32.29%	0.92%	0.61%	-4.39%	-2.07%	0.00%		3.72%	12.54%	36.21%	27.75%	23.68%
4. Mississippi	12,569	2.5	25.89%	1.14%	2.42%	0.81%	-17.43%	14.35%		3.57%	10.37%	39.90%	32.71%	29.52%
5. ALLTEL Ohio	140,256	1.0	21.61%	-3.51%	-16.55%	0.00%	0.00%	0.00%		1.47%	4.95%	16.19%	13.24%	11.25%
6. Georgia Telecom	99,279	1.0	17.80%	0.75%	-1.48%	-13.54%	2.59%	2.74%		1.10%	3.11%	16.12%	14.40%	13.01%
7. ALLTEL Georgia	71,921	1.0	16.32%	4.66%	2.99%	4.36%	-9.69%	-45.18%		3.84%	13.11%	23.69%	13.47%	10.58%
8. Western Reserve	193,716	1.0	12.66%	-2.19%	-9.73%	-6.39%	5.53%	16.15%		0.85%	3.45%	17.40%	15.43%	13.95%
9. NY - Fulton	49,082	2.0	9.51%	-1.08%	3.42%	-6.46%	4.09%	3.10%		1.24%	4.60%	26.19%	23.66%	21.58%
10. Georgia Com	343,459	1.0	8.82%	2.22%	-2.21%	-5.15%	5.98%	-6.17%		0.54%	1.94%	14.01%	12.92%	12.08%
11. South Carolina	60,962	1.0	8.67%	0.37%	-0.82%	-52.80%	6.86%	13.09%		7.13%	16.37%	30.71%	21.21%	14.34%
12. Texas	32,645	2.0	6.94%	-0.85%	-5.27%	-4.51%	8.40%	0.00%		1.42%	6.72%	34.05%	28.93%	27.32%
13. Oklahoma ALLTEL	19,604	2.5	6.44%	5.78%	0.25%	-3.80%	-5.02%	7.37%		2.36%	8.34%	57.22%	52.82%	48.88%
14. Oklahoma	15,771	2.5	2.48%	4.37%	-1.83%	-9.07%	3.37%	11.68%		1.51%	5.87%	52.11%	48.89%	46.24%
15. Sugar Land	82,175	1.0	1.16%	2.24%	1.73%	-2.13%	-9.28%	-47.53%		4.39%	14.01%	26.50%	14.50%	12.49%
16. NY - Jamestown	52,556	1.0	-0.38%	2.55%	0.85%	-6.55%	10.77%	-3.50%		5.29%	17.17%	32.77%	27.54%	15.61%
17. Florida	94,902	1.0	-2.13%	4.51%	-4.39%	-4.04%	2.51%	5.66%		0.34%	1.06%	14.92%	14.35%	13.86%
18. Missouri	67,677	1.0	-2.67%	6.72%	-1.13%	-4.71%	0.88%	-43.40%		6.86%	24.32%	39.75%	19.93%	15.43%
19. NY - Red Jacket	2,828	3.0	-3.33%	2.25%	-0.93%	-2.70%	2.94%	22.79%		1.35%	6.76%	59.43%	55.23%	52.67%
20. Arkansas	110,819	1.0	-5.43%	24.36%	-13.98%	-12.38%	0.00%	0.00%		1.57%	5.48%	19.42%	16.75%	13.94%
21. Georgia Standard	81,643	1.0	-8.91%	0.00%	0.00%	0.00%	0.00%	0.00%		0.69%	1.85%	20.78%	19.98%	18.93%
22. Pennsylvania	244,615	1.0	-9.09%	-0.12%	-2.81%	-18.47%	-3.00%	11.51%		4.93%	26.15%	37.42%	13.58%	11.27%
23. Total / Average	2,067,267	8	8.52%	6.98%	-1.69%	-4.95%	4.27%	12.03%		1.15%	4.32%	26.64%	23.92%	22.32%



Interstate Access Tariff Filing
Interstate DEM Factor

